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C O N F I D E N T I A L SECTION 01 OF 02 LIMA 005087

SIPDIS

DEPT FOR WHA/CCA, WHA/AND

E.O. 12958: DECL: 12/01/2015

TAGS: [ETTC](#) [PREL](#) [PE](#)

SUBJECT: PERU AND CUBA: NSC-DIRECTED REVIEW REGARDING  
SUSPENSION OF TITLE III OF THE LIBERTAD ACT

REF: A. STATE 207359

[B](#). LIMA 1556

Classified By: CDA Phyllis Powers for reasons 1.4 (b) and (d).

[1](#). (U) The following is Post's response to reftel A.

No Political Support for Cuba  
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[2](#). (U) The Peruvian Government maintains formal relations with the Cuban Government, but the two countries have modest diplomatic contacts and bilateral trade. The last visit by a Peruvian Foreign Minister to Cuba was in January 2002 (Diego Garcia Sayan), while the last visit by a Cuban Foreign Minister to Lima was in October 2000. In 1999 the two countries signed a Basic Agreement on Technical Cooperation, but little has been implemented under this agreement due to lack of financing. Some 400 Peruvian students study medicine and physical education in Cuba on GOC scholarships.

[3](#). (C) President Alejandro Toledo personally condemns the Castro regime, its human rights abuses, and its economic policies. He and the GOP are also concerned over Castro's ties to Venezuelan President Hugo Chavez, whom Toledo has termed "a Castro with petrodollars." Under Toledo's leadership, Peru supported the UNCHR Cuba resolutions in 2001-2004, earning rebuffs from the GOC. In May 2004, Peru temporarily withdrew its Ambassador to Havana in protest over derogatory comments by Fidel Castro related to Peru's role in passage of that year's Cuba Resolution. In 2005, however, Peru abstained on the Cuba Resolution at the urging of Brazilian President Lula and Argentine President Kirchner (Ref B). On the other hand, Peru opposed the Cuba-sponsored resolution on alleged human rights violations in Guantanamo at the 2005 UNCHR.

[4](#). (U) Peru, as a member of the Non-Aligned Movement, traditionally supports United Nations resolutions condemning the U.S. economic "embargo" against Cuba, as well as declarations condemning the Libertad Act by regional organizations such as the Rio Group, ALADI and the Ibero-American Summit.

No Confirmed Investment in Cuba  
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[5](#). (SBU) Peru has minimal foreign direct investments (FDI) abroad, totaling \$800 million in 2004. Most of Peru's FDI, invested by Banco de Credito (Peru's largest bank), is found in Mexico, Bolivia, Ecuador, Central America and the Cayman Islands. Gladys Choy, Director of the Central Bank's Balance of Payment Division, could not confirm whether Peruvian companies or individuals had any investments in Cuba. She did allude, however, that if any investments exist, they are very small and not worthwhile. (Note: While the Central Bank tracks Peruvian foreign direct investment abroad, it does not release the data to the public because it believes the data is unreliable. End Note.)

[6](#). (U) Trade between Peru and Cuba is negligible. According to the Ministry of Trade and SUNAT (Peru's Tax and Customs Authority), Cuba is Peru's 70th trading partner. Peruvian exports to Cuba totaled \$2.5 million in 2004, up from \$2.4 million the previous year. Peru exported fishmeal and other fish products, plastic goods, and zinc alloy. Imports from Cuba were \$0.4 million in 2004 and \$0.3 million in 2003. Imported products included rum, vaccines and medical products.

Comment  
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[7](#). (C) The Peruvian Government is hostile to the Castro regime and, until this year's UNCHR, was the leading Latin American proponent of UNCHR resolutions condemning Cuba's human rights record. Continued suspension of the Libertad Act's application to Peru and its citizens would be in the U.S. national interest. Application of that legislation to Peru would likely engender ill will, reduce the likelihood of GOP support in the future, and (inasmuch as Peru has minimal bilateral trade and investment links with Cuba) have little or no effect on the trafficking or use of confiscated

property in Cuba.  
POWERS